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October 28, 2026

Annuity Buyer's Guide (A) Working Group
NAIC
c/o Jennifer Cook, Senior Counsel for Life and Health Policy - JCook@naic.org

Re: 10-13-26 Draft Revised Buyer's Guide
https://content.naic.org/sites/default/files/call_materials/2026.10.13-abg-draft.docx

Dear Members of the ABGWG:

I am a retiree and annuity contract owner. I depend on annuities for a considerable portion of my retirement income. I'll begin with some general observations before I dig into specific comments on the latest ABG revision.

I've been following and commenting on both the NAIC Annuity Buyer's Guide project and the NAIC Annuity Illustration project. From a consumer's perspective, while these are both important, they are just pieces of the overall sales process. With the time and effort being invested in these projects, I'm hopeful that the updated versions will be improved. A 2019 joint report from the Australian Securities and Investments Commission (ASIC) and the Dutch Authority for the Financial Markets (AFM) entitled "Disclosure: Why it shouldn't be the default" - https://www.asic.gov.au/regulatory-resources/find-a-document/reports/rep-632-disclosure-why-it-shouldn-t-be-the-default - is very much on point. In this letter, I'll refer to it as the ASIC/AFM Report.

However, I'm concerned that unless and until the whole sales process is examined and improved, that the updated ABG and AI may provide only incremental improvement to consumers and not really "move the needle". Insurance products are sold via multiple channels - in-person agents, phone, online and whatever will be next channel. A step-by-step flow chart for the sales process of each channel would be a necessary first step to ensure timely and effective consumer education in the sales process.

For example, under Model 245 the ABG is to be furnished at the time of application or if the application isn't taken in person, it must be furnished within 5 days that the insurer receives the application. At that point (in any channel's process) the buying decision is already made, the relationship with the producer is set, and a two-page document is competing with everything the producer already said. The ASIC/AFM Report documented that disclosures delivered after commitment rarely changes behavior (pages 21 and 29). Also see research by Sah, Loewenstein & Cain - https://www.cmu.edu/dietrich/sds/docs/loewenstein/BurdenDisclosure.pdf - which found that disclosure can increase pressure to follow the advisor's recommendation, and that the effect weakens only when the information comes from an independent source and the consumer decides in private, conditions a post-application document delivered through the selling producer does not reliably meet.

I'm sure that examining the sales process across all distribution channels and reworking consumer disclosures and protections is "out-of-scope" for the ABG project. **How can we expand the focus to the entire sales process to ensure meaningful improvement for consumers?**

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Notwithstanding the above comments, improving and updating consumer disclosures and protections, even if done piece-by-piece, is important. To that end, I submit my comments on the latest iteration of the ABG.

1. On our last call, Birny Birnbaum emphasized the importance of rigorous testing of any updated ABG before adopting it for public use, to ensure that buyers actually understand it. I cannot emphasize enough the importance of this step. The importance of testing is documented in the ASIC/AFM Report (page 51). When the SEC had RAND test its short-form relationship summary, in-depth interviews showed investors still misunderstood key distinctions after reading it - https://www.sec.gov/about/offices/investorad/investor-testing-form-crs-relationship-summary.pdf.

2. Other stakeholders have emphasized the importance of having just one ABG - not multiple versions - otherwise it's confusing for everyone (consumers, agents and insurers). Only one version please - a **complete** guide, not a cheat-sheet.

3. Annuities are complicated financial products. The four-page format is in no way a "buyer's guide" - it is a tip-sheet, a quick-start or some similar moniker. However, the four-page format would be great as a quick-start preface to the full ABG. The 10-13 draft is too dense and verbose for use as this preface. I have attached a revision of the 10/13 four-pager (red-lined word document and clean pdf document)- for use as a preface, **not as an annuity buyer's guide**. Due to time constraints, I didn't complete the document simplification, but some of my edits on page 1 of the redline shows how the writing could be more accessible.

   While Model 245 is specific about the content of disclosures and illustrations, it doesn't prescribe the contents of the "Annuity Buyer's Guide". Accordingly, we should consider what is generally expected from any buyer's guide - here are some common descriptions:

   A buyer's guide is an informational resource or legal disclosure document designed to help consumers evaluate options, compare features, and make an informed purchasing decision.

   The primary purpose of a buyer's guide is to educate and inform consumers so they can make confident, objective purchasing decisions without feeling pressured by a direct sales pitch.

   A buyers' guide is a comprehensive resource that provides information, recommendations, and insights to help consumers make informed purchasing decisions.

   A buyer's guide helps consumers avoid mistakes by organizing critical product facts, clarifying technical terms, and providing structured side-by-side comparisons before a purchase is made.

   How Buyer's Guides Prevent Mistakes
   • Clarifies Requirements and Fit: A good guide explicitly states who a product is for, which features are mandatory, and—just as importantly—who should not buy it, stopping consumers from purchasing the wrong item for their needs.

• Exposes Hidden Costs and Risks: It breaks down what the buyer will actually pay, details implementation or maintenance requirements, and highlights potential product or warranty risks.
• Simplifies Complex Data: By compiling prices, dimensions, specs, and materials into scannable lists or comparison tables, it prevents emotional or impulse buying.
• Defines Jargon: It translates confusing technical terms into plain language, so shoppers understand what they are agreeing to.

The ASIC/AFM Report documented that a two-page summary did no better than a full disclosure document in testing (pages 14-15).

4. A complete printed copy of the full ABG should be provided. Consumers need to be "met where they are". Requiring the consumer to download or go online to access the ABG is unduly burdensome, since many insurance consumers do not own smartphones or computers. In my case, we have spotty cell reception in our holler - I'd have to drive to town to use the QR code to access the online ABG and with my fat fingers, trying to navigate such a document or read it would be an exercise in frustration.

   I'm not opposed to having an online version of the ABG available, as well as QR codes and URL's in the quick-start and ABG for those that can use them, but every annuity consumer should receive a hard copy of the full ABG.

   Directing buyers to online education assumes they will use it and that it works; the research on financial education does not support either assumption - see Willis - https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1105384 and The ASIC/AFM Report (page 27).

5. The "13 Things" that I proposed in 8/15/2026 comment letter are essential to any consumer considering the purchase of an annuity - these concepts need to be included in the ABG - https://petergould.com/13%20THINGS%20TO%20CONSIDER%20BEFORE%20BUYING%20AN%20ANNUITY.pdf.

In summary: provide every consumer a printed copy of the full ABG, add a "quick-start" section as a preface to the full ABG, include QR codes and URL's in the ABG for easy access to an online version (by smartphone, tablet or computer), do extensive consumer testing before adopting the updated ABG for public release. And then, there's the aspirational goal - take a step back and re-engineer the sales process (via all channels) to timely educate and better protect consumers.

Thank you for your consideration of my comments and for the work that you do to protect consumers.

Yours truly,

Peter Gould